

Greyhound Lines, Inc.



Intercity Bus Service
Michigan Transportation Summit
December 4, 2003,
Lansing Center, Lansing, MI

Roger J. Haynes, Esq.,
Greyhound MI Lobbyist

Transportation Summit: 2003 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- Transportation Policy Plan adopted by the STC identified the statewide significance of intercity bus service in Michigan

Intercity Bus Passenger Service:

- Assist in meeting the long distance travel needs of the citizens of Michigan by maintaining connections between communities, providing access to the national intercity bus system and access to other modes of travel.
- Provide financial assistance (capital and operating) to maintain a basic statewide intercity route network. [The two types of carrier financial assistance are further defined and demonstrated below.]

Transportation Summit: 2003 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- Michigan's Current MCI Greyhound Bus



Transportation Summit: 2003 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

East Lansing Terminal



Battle Creek Terminal



Kalamazoo Terminal



Lansing Terminal



Transportation Summit: 2003 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- STC Transportation Policy Plan provides for Capital Assistance – provide safe, accessible, up-to-date vehicles and terminals for the traveling public.
- Greyhound presently operates 6 State owned/company leased buses for service in the Lower Peninsula.
- Indian Trails presently operates 9 State owned/company leased buses for service in the Lower Peninsula.
- Currently just under twenty Intermodal terminals have received State funds for either new construction or renovation with funding for more than an additional six in the planning stages.

Transportation Summit: 2003 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

Michigan's
Intercity
Passenger
Network
(2003) –
Current
Essential
Bus
Corridors
Noted



Transportation Summit: 2003 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- STC Transportation Policy Plan for Operating Assistance – to help maintain existing regular route service and consider new routes that can become operationally self-sufficient. Selection of operators shall be competitively bid.
- Greyhound currently operates three State subsidized routes in the Upper Peninsula that provides east/west and north/south service.
- Indian Trails currently operates two State subsidized routes in the Lower Peninsula that provide north/south service on the east and west side of the state.

Transportation Summit: 20
03 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- The largest North American provider of intercity bus transportation is also one of two companies providing intercity bus service throughout Michigan.
- Both Greyhound and Indian Trails serve some more than 100 communities throughout Michigan providing almost 1 million in intercity bus travel trips annually to points within Michigan as well as to destinations throughout the nationwide intercity network.
- The nationwide network of interline partners – is the glue that binds rural & small towns and America's urban centers: America's transit system
- Currently, Greyhound's primary product in Michigan is scheduled intercity bus service, but we also offer charter and package express.

Transportation Summit: 20
03 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- Historic Changes in Intercity Bus Service in Michigan over the past 30 years
 - More than 350 communities have lost service and intercity travel opportunities
 - Over a dozen companies have gone out of business or discontinued the intercity part of their business
 - Diminishing levels of State financial support for the two current intercity bus operators who choose to operate in the State have stimulated further erosion of service
 - Limitations of funding to less than 3% of the annual CTF resources for private sector initiatives reduces options and increases costs for the traveling public who has come to demand more intercity bus travel services.

Transportation Summit: 20
03 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- Uniqueness of Private Sector Initiatives:
 - Based on moving large numbers of people between rural and urban centers in a safe, comfortable, timely, and efficient manner.
 - Use of a business model that relies on a customer oriented, performance-based program that includes benchmarks of service
 - revenue/mile, passengers/mile, cost/mile;
 - travel demands of the riding public; and
 - interconnectivity between modes of travel and communities across America.
 - Huge reliance of private investment in providing service options where there should be public investment.
 - Increased cost efficient and cost-effective if provided by private sector companies
 - Stronger business model for provision of service
 - Safer, more road-worthy equipment
 - Impact of State and Federal Regulatory Scheme

Transportation Summit: 20 MICHIGAN PARTNERSHIPS
03

Mobility Options Greyhound Lines, Inc.

- Recent Key Recommendations by STC Subcommittee on Public Transportation (The Kennedy Report)
 - Require a [fully allocated costs] competitive bidding process for the delivery of new regional transit services to ensure that private and intercity carriers have the opportunity to provide those services
 - The state and transit providers shall establish, or continue to implement, a [fully allocated costs] competitive bidding process for private operators to compete for the provision of existing and new transit services
 - Eliminate the CTF state operating subsidy to AMTRAK for the Pere Marquette and international routes and make the funds available to private intercity carriers to provide feeder bus service for the Detroit to Chicago service
 - Require all recipients of CTF revenue to develop five-year plans complete with goals and objectives that identify unmet needs regionally and within defined service areas
 - Require that MDOT develop and publish an evaluation and reporting process that allows the taxpayers to assess public transportation services that adopt and measure their performance by efficiency and effectiveness measures

Transportation Summit: 20 MICHIGAN PARTNERSHIPS
03

Mobility Options Greyhound Lines, Inc.

- Challenges for the future –
 - Creation of more private sector initiatives through increased funding for capital and operating assistance programs.
 - Expansion of essential routes for intercity bus service to serve under utilized areas of the State, including increased routes and frequencies of service.
 - Removal of funding limitations presently in place that restrict operating assistance funding to new or existing service north of Muskegon/Saginaw.

Transportation Summit: 20 MICHIGAN PARTNERSHIPS
03

Mobility Options Greyhound Lines, Inc.

- Work with private intercity operators, private charter companies, and limousine operators to develop new travel options for
 - Regional Commuter Service
 - Regional Airport Shuttle Service
 - AMTRAK Feeder Service and Amtrak Throughway Service
 - Cruise Lines Meet 'n' Greet Services for ships whose origin and destination is the Great Lakes
 - Increased Casino travel
 - Other private sector based initiatives

Transportation Summit: 2003 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- Important Concepts:
 - State funded programs have been inadequately funded and have experienced little growth or change since their inception in the 1970s
 - Continued erosion Private Intercity Carriers that provide a public transportation function, much like the airlines, and yet are expected to operate with little or no public financial support
 - Failed efforts of MDOT to assist in the preserving the STC policies aimed at preserving intercity bus service and travel opportunities in Michigan that have led to reduced schedules, elimination of routes

Transportation Summit: 2003 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- Important Concepts (continued):
 - Misplaced belief that public sector public transportation services are cheaper than private sector public transportation services
 - MDOT's continued implementation of inefficient and ineffective regional public transportation initiatives that are developed in competition with private carriers.
 - Feeder Bus Service for rail passenger service throughout Michigan that is properly supported by the State and operated by the private intercity carriers will lead to increased ridership for Amtrak.

Transportation Summit: 2003 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- Important Concepts (continued):
 - Dedicated commuter bus service between urban areas will alleviate the congestion on our interstate highways.
 - Creation of high-occupancy vehicle (HOV) lanes will provide for a safe and comfortable ride for passengers who see commuter bus service on a motorcoach as a real alternative to the automobile.
 - Implementation of airport shuttle service between communities that have seen reduced or eliminated air service will enhance the intercity travel options for the traveling public.

Transportation Summit: 2003
MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- Some major statutory changes are needed
 - Mandate intercity bus access to all airports
 - Mandate intercity bus access to Detroit Metro
 - Expand the financial incentives for private intercity carriers
 - Create and fund a rail feeder system that relies on private intercity carriers

Transportation Summit: 2003
MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- Statutory changes (continued):
 - Mandate that MDOT assist private carriers in a service awareness program to inform the public of travel options
 - Mandate that MDOT develop private partnerships to increase travel opportunities for the traveling public
 - Adoption of commuter bus service in urban areas
 - Mandate that any new or expanded public transportation services be privatized

Transportation Summit: 2003
MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- Statutory changes (continued):
 - Mandate public funding for private intercity carriers that engage in public transportation activities
 - Mandate that all transportation services funded by CTF dollars meet specific performance measures in order to receive funding
 - Mandate Federal and State Charter regulations be complied with or face funding reductions
 - Require all public transportation entities engage in CQI initiatives aimed at reducing their dependence on State funds

Transportation Summit: 20
03 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.

- Program Changes
 - Provide cash grants to assist in the provision of services to pre-qualified intercity carriers for use to offset their operational costs
 - Provide state operating assistance to defray rental costs at Intermodal facilities
 - Work with private intercity carriers to identify new service delivery options
 - Work to increase the essential bus network and develop new travel corridors throughout the State

Transportation Summit: 20
03 MICHIGAN PARTNERSHIPS

Mobility Options Greyhound Lines, Inc.



- Intercity Bus travel between cities in Michigan, especially for commuters, complete with all the luxuries of rail for the price of a bus ride should be a part of the transportation planning for the future. Only those with a vision can make it happen, only those who believe can make it so.

Transportation Summit: 20
03 MICHIGAN PARTNERSHIPS

Greyhound Lines, Inc.



- Information about Greyhound Lines, Inc. can be easily accessed at <http://www.greyhound.com>
